

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-04 INR-07 L-03 ACDA-05

NSAE-00 SS-15 PRS-01 SP-02 TRSE-00 SAJ-01 NSC-05

OMB-01 MC-02 EB-07 /066 W

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FM AMEMBASSY LONDON

TO SECSTATE WASHDC 8798

SECDEF

INFO USMISSION NATO BRUSSELS

USCINCEUR

USNMR SHAPE

C O N F I D E N T I A L SECTION 01 OF 02 LONDON 01980

DEFENSE FOR ISA

E.O. 11652: GDS

TAGS: MPOL, NATO. UK

SUBJ: UK DEFENSE CUTS

REF: USNATO 627

1. WE BELIEVE THAT EARLIER TARGET OF 12 FEBRUARY FOR PUBLICATION OF PUBLIC EXPENDITURES WHITE PAPER WILL SLIP AND 19/20 FEBRUARY APPEARS NOW TO BE EARLIEST LIKELY DATE. THE DEFENCE WHITE PAPER SHOULD BE OUT BY THIRD WEEK OF MARCH, BUT MOD INDICATES "SLIPPAGE IS LIKELY".

2. MOD OFFICIALS HAVE ASSURED US THAT SHORTLY BEFORE PUBLICATION OF THE PUBLIC EXPENDITURES WHITE PAPER, HMG WILL PROVIDE NATO AUTHORITIES WITH THE TOTAL CUT-BACK FIGURES WHICH WILL BE PUBLISHED "IN GLOBAL TERMS". OUR UNDERSTANDING IS THAT THE BRITISH INTEND TO COMMUNICATE SPECIFIC DETAILS TO USG AND FRG CONCERNING WHERE AND HOW MOD PLANS TO ABSORB/DISTRIBUTE THE CUTS "AFTER" PUBLICATION OF THE PUBLIC EXPENDITURES WHITE PAPER AND "BEFORE" PUBLICATION OF THE DEFENCE WHITE PAPER. IN DISCUSSIONS  
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OFFICIALS IN FCO AND MOD HAVE CONSISTENTLY EMPHASIZED THAT

BECAUSE THIS LATEST ROUND OF CUTS AFFECTS THE "TAIL" RATHER THAN THE "TEETH" -- AND DO NOT CONSTITUTE "UNACCEPTABLE QUANTITATIVE/QUALITATIVE CHANGES" -- HMG DOES NOT FEEL "OBLIGED TO CONSULT FORMALLY". THE IMPRESSION WE HAVE IS THAT MASON, HIMSELF, DOES NOT WISH TO EXPOSE HIMSELF TO "CONSULTATIONS" -- BUT THAT MOD OFFICIALS EXPECT TO "EXPLAIN AND DISCUSS" THE IMPLICATIONS OF THE CUTS. WE DETECT A RELUATANCE AMONG SENIOR OFFICIALS TO ENGAGE IN A DIALOGUE IN DEPTH DURING THIS PARTICULAR PROCESS OF INTERNAL DECISION MAKING. WE ATTRIBUTE THIS IN PART TO A REAL SENSE OF DISMAY AND EMBARRASSMENT THAT, SO SOON ON THE HEELS OF THE DEFENCE REVIEW, THEY ARE OBLIGED TO ADDRESS YET ANOTHER CUTBACK. BUT A MORE COMPELLING CAUSE FOR THE PRESENT RETICENCE PROBABLY RESTS AT MINISTERIAL LEVEL: MASON/RODGERS HAVE TAKEN A STRONG LINE ON "NO CONSULTATIONS" PERIOD. WE AGREE WITH JUDGMENT IN PARA 4 REFTTEL THAT AT THAT LEVEL THERE IS GENUINE POLITICAL CONCERN ABOUT THE DANGER OF BEING MANEUVERED, THROUGH CONSULTATION, INTO A SITUATION IN WHICH THE OPPOSITION COULD FLAUNT "ALLIANCE SUPPORT" FOR ITS POSITION RATHER THAN THE GOVERNMENT'S.

3. THERE IS NO JOY IN MOD WITH THE CURRENT SITUATION; BUT WE DETECT A REAL SENSE OF RELIEF THAT "IT ISN'T AS BAD AS IT MIGHT EASILY HAVE BEEN". ALSO, THERE IS A DISCREET SENSE OF SATISFACTION THAT MASON/RODGERS DID SUCCEED (WITH SOME OUTSIDE HELP) IN BLUNTING HEALEY/TREASURY DEMANDS. ONCE THIS BECOMES PUBLIC, MASON/RODGERS KNOW THEY WILL FACE CONSIDERABLE "WAILING AND GNASHING OF TEETH" WITHIN THE PARTY. DESPITE MRS. THATCHER (LONDON 1830, 1492, 1324 AND 1287), MASON IS PROBABLY CONGRATULATING HIMSELF ON HIS "SUCCESS" -- WHICH IS LIKELY TO BE SEEN IN THE COUNTRY AS A WHOLE AS A PERSONAL VICTORY FOR HIM.

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C O N F I D E N T I A L SECTION 02 OF 02 LONDON 01980

DEFENSE FOR ISA

4. COMMENT: WE DO NOT THINK THE BRITISH ARE "PLAYING COY" WITH US OR THE ALLIANCE. WHILE CURRENT POLITICAL/ ECONOMIC REALITIES HERE HAVE TENDED TO PRECLUDE THE DEPTH AND STYLE OF CONSULTATION ESTABLISHED DURING THE DEFENSE REVIEW, WE BELIEVE THAT OFFICIALS DO EXPECT TO HEAR VIEWS AND RECEIVE REACTIONS TO THE DECISIONS BEING MADE -- AT LEAST FROM THE US AND FRG IN A BILATERAL CONTEXT. WE AGREE THAT VIS-A-VIS THE ALLIANCE QUA ALLIANCE, THE BRITISH APPROACH IS MORE SYMBOLIC THAN ONE OF SUBSTANCE AND THEIR AIM IS TO GIVE, AS NOTED IN REFTEL, "A SENSE OF PARTICIPATION" IN DECISIONS WHICH ESSENTIALLY ARE ALREADY MADE. IN THIS SENSE SENIOR OFFICIALS HAVE EXPRESSED CONCERN THAT THE CURRENT UK CUTBACKS "MUST NOT BE ALLOWED TO BECOME A CATALYST FOR OTHERS" AND WE KNOW THE FCO AND MOD ARE SENSITIVE TO THE DANGER THAT INSTITUTIONALIZED CONSULTATIONS COULD PRECIPITATE DIVISIVENESS WITHIN NATO AS WELL AS RUN THE DANGER OF BECOMING COUNTER-PRODUCTIVE. THE BOOMERANG LONDON WISHES TO AVOID IS THAT OTHERS -- FACING ECONOMIC/BUDGETARY CONSTRAINTS -- MIGHT BE TEMPTED TO CONFIDENTIAL

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PICK UP QUICKLY THE UK'S COMPELLING RATIONALE. THE BRITISH ARE NOT ANXIOUS TO BE IDENTIFIED AS THE "STARTERS OF A BROADER UNRAVELING PROCESS".

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## Message Attributes

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